



Fact checking latest numbers of Obama's presidency

July 12, 2014

As we do every three months, we offer here a fresh update of selected statistical indicators of what has happened since Barack Obama first took the oath of office in January 2009. Some are positive and some are not, but all are from sources we consider solid and reliable. And as usual, we caution that no single number or collection of numbers can tell the entire story.

Affordable Care Act

Information on the effects of Obamacare continues to accumulate, showing the law is reaching millions of its intended beneficiaries.

- The administration's most recent tally shows just over 8 million people signed up for private health insurance during the initial enrollment period (which is now over) via the once-troubled HealthCare.gov website and the several state-run insurance exchanges. Nearly half of those signed up in March, as the deadline was approaching.
- There also has been a surge in new sign-ups for Medicaid, the joint federal-state insurance program for low-income people. The administration's latest tally shows nearly 6.1 million Medicaid beneficiaries had been added as of the end of April, compared with the July-September quarter of last year.

A poll by the nonpartisan Kaiser Family Foundation indicates that 57 percent who signed up for private insurance through exchanges had no coverage before. The poll also showed that the majority of those who signed up for individual policies — either through exchanges or directly with insurance companies — rate their Obamacare-compliant coverage as excellent or good, believe it is a good value for what they pay for it, and say they are satisfied with various aspects of their plans.

To be sure, an unknown number of those who signed up for private coverage through the exchanges failed to make their first premium payments, and so never completed enrollment. How many? Early reports ranged widely, most commonly estimating that 80 percent to 90 percent who signed up had also paid. Dan Mendelson, CEO of the consulting company Avalere

Health, said he expects that between 5 percent and 10 percent of Obamacare enrollments will eventually end up being unpaid.

As for the 6 million new Medicaid beneficiaries, an unknown portion would have been added even without Obamacare. However, states that have chosen to expand eligibility under the ACA saw a 15.3 percent increase, while states that declined to expand eligibility experienced only a 3.3 percent increase.

Furthermore, the number of new Medicaid sign-ups is likely to grow further. Some states have yet to report April results, and a few states are still debating whether to implement expanded coverage. New Medicaid beneficiaries may sign up at any time.

Jobs

The economy as of June had gained just over 4.8 million jobs since Obama took office in January 2009. The unemployment rate has declined to 6.1 percent, which is 1.7 points lower than when he took office and 3.9 points lower than it was at its worst point during October 2009.

Since our last report, the economy has not only regained the 4.3 million jobs lost during Obama's first 13 months in office, but also has regained the 4.4 million jobs lost during the 12 months before he entered the White House. Total employment now is at a record high — 415,000 jobs higher than the peak number reached before the great recession of 2007-2009.

Many without jobs continue to struggle, however. Despite improvements in recent months, the number of those who have been out of work for at least 27 weeks — the so-called long-term unemployed — is still more than 3 million, and 382,000 higher than when Obama took office. The average number of weeks that the unemployed have been without work also has continued to decline. But it is still 33.5 weeks — or 13.7 weeks longer than the average duration of joblessness for the month Obama entered the White House.

Record profits, soaring stocks

Meanwhile, corporate profits keep setting records. Even after taxes, corporate profits were running at an annual rate of more than \$1.9 trillion in the January-March quarter of 2014, the most recent for which figures are available. That's the highest on record — and an increase of 184 percent from the recession-wracked fourth quarter of 2008, just before the start of Obama's tenure.

Corporate stocks also have been rising. As of the close of the market on July 2, the Standard & Poor's 500 stock index was 145 percent higher than it was when Obama first took office.

Other market indicators also have soared. The Dow Jones Industrial Average was up 114 percent, and the NASDAQ Composite index had more than tripled, rising by 209 percent.

Stagnant wages, declining home ownership

Even for those who have jobs, wages have risen so slowly they have barely kept up with historically low rates of inflation. Average weekly earnings of workers on payrolls, measured in inflation-adjusted dollars, have edged up a scant 0.3 percent between Obama's first month in

office and May 2014, the most recent on record. And there's no clear upward trend. A year ago we reported a 0.1 percent increase in the real earnings figure in our July 2013 update, and six months ago the increase we reported in our January 2014 update was exactly the same as now — 0.3 percent.

Relatively fewer people now own their homes. Under Obama, the home ownership rate has continued to slide, declining by 2.5 percentage points since he took office. It stood at 65 percent in the January-March quarter, according to U.S. Census figures. (The decline actually began in 2004, when the rate peaked at 69.4 percent as the housing bubble was inflating.)

Food stamps

The number of low-income people on food stamps (officially called Supplemental Nutrition Assistance Program, or SNAP) has declined recently from the record levels reached during Obama's tenure. The most recent figures from the Department of Agriculture put the number receiving benefits at 46.1 million as of March 2014. That's down from the nearly 47.8 million who were getting benefits in December 2012 — a record. But the most recent number is still more than 14 percent of the entire U.S. population, and is an increase of 44 percent since the month Obama first took office.

Booming energy

Production of crude oil in the U.S. now has increased 67 percent since Obama took office, while imports of foreign oil and petroleum products have declined by 48 percent, as measured by the Energy Information Administration figures, comparing the most recent three-month period with the last quarter of 2008.

As a consequence, U.S. dependency on imported oil has dropped sharply. The nation imported 30 percent of what it consumed in the first five months of 2014, according to the most recent EIA figures. (See Table 3.3a, "net imports" as a percent of "product supplied.") That's a drop of 27 percentage points from 2008, when the U.S. imported 57 percent.

The decline actually began in George W. Bush's second term, after U.S. dependency peaked at 60.3 percent in 2005. But the trend has gathered momentum under Obama.

As we've said before, the U.S. energy boom is a result primarily of the use of new drilling technology by the industry, not of any policy changes in Washington. But another factor behind reduced U.S. dependency on imported oil is declining demand for gasoline, partly due to motorists buying more fuel-efficient automobiles.

The latest figures from the University of Michigan's Transportation Research Institute show the average EPA city/highway "window sticker" mileage of cars and light trucks sold in June was 25.5 miles per gallon, an improvement of 21.4 percent over the average for vehicles sold in the month that Obama took office.

Washington is now calling for even greater efficiency in the future. The Obama administration has put in place requirements that cars and light trucks average 54.5 mpg by model year 2025. But it remains to be seen whether the industry can produce such vehicles and get Americans to buy them, and whether future presidents will stick to Obama's ambitious goal.

Under Obama, wind and solar power has more than tripled. In the most recent 12 months on record (ending in April) electricity generated by wind and solar had increased by 231 percent over the total for 2008. That was spurred in part by large federal tax subsidies for wind and solar generation.

Wind and solar sources still supply relatively little of the nation's total electrical consumption, however. Wind and solar accounted for just under 4.4 percent of all electricity generated in the U.S. during all of 2013, up from 1.4 percent in 2008. Coal still accounts for the biggest share, followed by natural gas and nuclear power.

Disappointing exports

The president hasn't said much lately about the goal he set in his 2010 State of the Union address, when he said, "We will double our exports over the next five years." That is now hopelessly out of reach.

As of the first quarter of 2014, seasonally adjusted exports of goods and services have increased only 34.7 percent since the quarter before Obama took office, according to the most recent data from the U.S. Commerce Department.

Spending and debt

Since Obama took office, federal spending has risen much more slowly than it did under his predecessor. But annual deficits, while shrinking, remain high, with no end in sight. Obama's legacy surely will include a doubling of the most important measure of the federal debt during his tenure.

Federal outlays for the current fiscal year are estimated to be \$3.65 trillion, according to figures released in March along with the president's proposed budget for fiscal 2015. We calculate that to be just 10.1 percent higher than fiscal 2009 spending levels he inherited from George W. Bush. (Fiscal 2009 began nearly four months before Obama took office, and spending levels were mainly set by Bush. As we've detailed elsewhere, we attribute — at most — \$203 billion of actual FY 2009 outlays to increases signed by Obama.)

That 10.1 percent increase in spending is below the nearly 12 percent rate of inflation, as measured by the Consumer Price Index since Obama took office.

Obama's increase in federal spending over five years contrasts dramatically with the 78 percent increase during Bush's eight years (FY 2001 vs FY 2009, minus the \$203 billion we attribute to Obama). And that is giving Bush the benefit of the doubt. A Republican economist, Daniel Mitchell of the libertarian CATO Institute, has figured that only \$140 billion of fiscal 2009 spending can be attributed to Obama. Using that lower figure would make Bush's spending increase a bit higher, and Obama's a bit lower.

To be sure, Obama would have preferred a higher rate of federal spending than he was able to get through Congress after Republicans took control of the House in January 2011. Obama agreed to cuts as part of budget deals with congressional Republicans, including one that averted the "fiscal cliff" and another that ended a government shutdown.

But the chronic gap between what the government spends and what it collects in revenues continues. Under current law, the nonpartisan Congressional Budget Office projects the current year's deficit will be \$492 billion, and will fall to \$469 billion next year. But then CBO projects annual deficits will start to rise again in future years, with no end to the red ink in sight.

Currently, total federal debt stands at nearly \$17.6 trillion, which is 66 percent higher than when Obama took office. That figure includes money the government owes to itself, chiefly through the Social Security trust funds. But when it comes to what the government owes to the public — a figure that economists consider more important — the debt almost exactly doubled since Obama took office. As of June 30, debt owed to the public was just under \$12.6 trillion, an increase of 99.2 percent under Obama. At the current rate, that will reach 100 percent any day now.